

west virginia department of environmental protection

Office of Oil and Gas 601 57th Street SE Charleston, WV 25304 (304) 926-0450 (304) 926-0452 fax Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

August 29, 2013

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-3305791, issued to HG ENERGY, LLC, is evidence of permission granted to perform the specified well work at the location described on the attached pages and located on the attached plat, subject to the provisions of Chapter 22 of the West Virginia Code of 1931, as amended, and all rules and regulations promulgated thereunder, and to all conditions and provisions outlined in the pages attached hereto. Notification shall be given by the operator to the Oil and Gas Inspector at least 24 hours prior to the construction of roads, locations, and/or pits for any permitted work. In addition, the well operator shall notify the same inspector 24 hours before any actual well work is commenced and prior to running and cementing casing. Spills or emergency discharges must be promptly reported by the operator to 1-800-642-3074 and to the Oil and Gas inspector.

Please be advised that form WR-35, Well Operators Report of Well Work is to be submitted to this office within 90 days completion of permitted well work, as should form WR-34 Discharge Monitoring Report within 30 days of discharge of pits, if applicable. Failure to abide by all statutory and regulatory provisions governing all duties and operations hereunder may result in suspension or revocation of this permit and, in addition, may result in civil and/or criminal penalties being imposed upon the operators.

In addition to the applicable requirements of this permit, and the statutes and rules governing oil and gas activity in WV, this permit may contain specific conditions which must be followed. Permit conditions are attached to this cover letter.

Per 35CSR-4-5.2.g this permit will expire in two (2) years from the issue date unless permitted well work is commenced. If there are any questions, please feel free to contact me at (304) 926-0499 ext. 1654.

James Martin

Chief

Operator's Well No: W.B. CARPENTER NO. 251

Farm Name: JUNKINS, EARL & BELVA

API Well Number: 47-3305791 Permit Type: Vertical Well

Date Issued: 08/29/2013

Promoting a healthy environment.

PERMIT CONDITIONS

West Virginia Code § 22-6-11 allows the Office of Oil and Gas to place specific conditions upon this permit. Permit conditions have the same effect as law. Failure to adhere to the specified permit conditions may result in enforcement action.

CONDITIONS

- 1. If the operator encounters an unanticipated void, or an anticipated void at an unanticipated depth, the operator shall notify the inspector within 24 hours. Modifications to the casing program may be necessary to comply with W. Va. Code § 22-6-20, which requires drilling to a minimum depth of thirty feet below the bottom of the void, and installing a minimum of twenty (20) feet of casing. Under no circumstance should the operator drill more than fifty (50) feet below the bottom of the void or install less than twenty (20) feet of casing below the bottom of the void.
- 2. Pursuant to 35 CSR § 4-19.1.a, at the request of the surface owner all water wells or springs within 1000 feet of the proposed well that are actually utilized for human consumption, domestic animals or other general use shall be sampled and analyzed.
- 3. Pursuant to 35 CSR § 4-19.1.c, if the operator is unable to sample and analyze any water well or spring within one thousand (1,000) feet of the permitted well location, the Office of Oil and Gas requires the operator to sample, at a minimum, one water well or spring located between one thousand (1,000) feet and two thousand (2,000) feet of the permitted well location.
- 4. All pits must be lined with a minimum of 20 mil thickness synthetic liner.
- 5. In the event of an accident or explosion causing loss of life or serious personal injury in or about the well or while working on the well, the well operator or its contractor shall give notice, stating the particulars of the accident or explosion, to the oil and gas inspector and the Chief within twenty-four (24) hours.
- 6. During the surface casing and cementing process, in the event cement does not return to the surface, or any other casing string that is permitted to circulate cement to the surface and does not return to the surface, the oil and gas inspector shall be notified within twenty-four (24) hours.
- 7. Well work activities shall not constitute a hazard to the safety of persons.

Page 3 of 4

STATE OF WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS WELL WORK PERMIT APPLICATION

1)	Well Opera	tor: HG	Energy, LLC				
2)	Operator's V	Well Number:	W. B. 0	Carpenter No. 1	251	3) Elevat	ion1307'
4)	Well Type:	(a) Oil	X or	Gas			
		(b) If Gas:	Pro	duction	Undergre	ound Storage	
5)	Proposed Ta	arget Formatio	on(s):	Fifth Sand			
6)	Proposed To	otal Depth:	3150' TVD 320	00' TMD ft.			
7)	Approximat	e fresh water	strata depths:		225'		
8)	Approximat	e salt water de	epths:		1407'		
9)	Approximat	e coal seam d	epths:		690'		
10)	Does land c	ontain coal se	ams tributary	to active mine	? Yes	N	o <u>X</u>
11)	Proposed W	ell Work:	Drill and	stimulate produ	ction well in Fifth Sa	nd, well to be drill	ed directionally S 69° E 210'
12) TYP	E	SPI	<u>CA</u> ECIFICATIO		<u>UBING PROGRA</u> FOOTAGE I		SDW 8/26/2013 CEMENT
		Size	Grade	Weight Per Ft.	For Drilling	Left in Well	Fill-up (Cu. Ft.)
Cond	luctor						
Fresh	n Water	7"	LS	17#	765'	765'	Cement to surface
Coal							
Interi	mediate						
Produ	uction	4 1/2"	J-55	10.5#	3200'	3200'	150 Sacks
Tubii	ng						ber
Liner	rs					pec	eived
Pack	ers: Kind Sizes Depths	set				AMG	2 8 2013
	Бериіз		For Off	ce of Oil and	Gas Hao Only	01	fice of Oil and Gas
I	Fee(s) Paid		Well Work I		Recl	amation Rund	fice of Oil and Gas of Environmental Protection WPCP
I	Plat]WW-9	WV	V-2B	Bond	(Type)	Agent
						(Type)	

Parkersburg West Virginia 26101 My Commission Expires Nov. 12, 2018

My commission expires

Form WW-9 Rev. 10/10

	Page	3	of	3
API	Number 47-	033		
Operator's Well No.	W.B. Ca	rpente	r No. 251	

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM GENERAL PERMIT FOR OIL AND GAS PIT WASTE DISCHARGE

perator	HG Ener								
Vatershed	Wizardis	m Run	-6	The land of the		Quadrangle	Sal	em 7.5'	596
levation	1307'	Co	unty	Harrison	33	District	Te	n Mile	09
escription	of anticipated Pit Waste	Fluids encoun	itered in dr	illing shallow well.					A SULL
o you anti	icipate more than 5,000 bl	ols of water to con	mplete the p	proposed well work?	Bell I	Yes	No	X	Table 6
ill a syntl	hetic liner be used in pit?		Yes	If so, what mil.	?2	0 Mil.			(
roposed D	isposal Method For Treat								relief e
	X Land App								
		and Injection (UI	C Permit N	lumber			4/4)
		API Number	Zowa WW O	for disposal location	`		no be)
	Other	(Explain	orm ww-9	for disposal location	,				1
rilling me	dium anticipated for this		water. oil b	pased, etc.	Air.	Fresh Water			
9	- If oilbased, what type?							Text of a	1
dditives to		Water, soap, I		1988					777
rill cuttin	gs disposal method? Leav	e in pit, landfill,	removed of	ffsite, etc.	Leav	ve in Pit			
	- If left in pit and plan t	o solidify, what n	nedium wil	l be used? Cement, l	ime, saw	lust Na	ative soil, d	cement, li	me
	- Landfill or offsite nam	e/permit number	?					P. Hole	Contract of
at the pro	I certify that I understa ugust 1, 2005, by the Offi ovisions of the permit are	ce of Oil and Gas enforceable by la	of the Wes	t Virginia Departme ns of any term or con	nt of Env	ironmental Protec	tion. I und	erstand	
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per Ets manual where necessary,





